

Central Hudson Gas and Electric

# Request for Proposals

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## Bulk Energy Storage Scheduling and Dispatch Rights

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**DRAFT VERSION**

***Comments Due September 13, 2021***

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## **1 General Information**

### **1.1 Introduction**

Central Hudson Gas and Electric Corporation (“CHGE”) is issuing this Request for Proposal (herein referred to as the “RFP”) to solicit Offers (“Offers”) from developers (“Bidders”, each a “Bidder”) for the offering described herein, which requires scheduling and dispatch rights for new front-of-the-meter (“FTM”) energy storage resources.<sup>1</sup> These offerings are described further in Section 2, and further explained in the Appendices to this document.

CHGE is administering this RFP to meet the requirements of Case 18-E-0130, *In the Matter of Energy Storage Deployment Program* (“Storage Order”) and the Order Directing Modifications to Energy Storage Solicitations (“Storage Order Modifications”); combined, the “Storage Orders”.<sup>2</sup> In its decision, the New York State Public Service Commission (“Commission”) ordered all New York utilities to procure a total of at least 10 MW of energy storage dispatch rights Agreements for up to a 10-year period, including CHGE, so long as awarded Offers do not exceed a Utility-Defined Procurement Ceiling.<sup>3</sup> The Project(s)<sup>4,5</sup> must be operational by December 31, 2025 and are eligible for a New York State Energy Research and Development Authority (“NYSERDA”) Incentive.

To receive the NYSERDA Incentive, each project that is successful through Round 2 of the utility evaluation process must enter into an agreement (“NYSERDA Incentive Agreement”) directly with NYSERDA in addition to executing an Energy Storage Services Agreement (“Agreement”) with CHGE.<sup>5</sup> NYSERDA will administer and pay the NYSERDA Incentive, which is separate from any payment that successful Bidder(s) may receive from CHGE. Payment structure and timing will be aligned between the NYSERDA Incentive Agreement and CHGE Energy Storage Services Agreement. The NYSERDA Incentive Agreement is included as Appendix F.

Definitions for capitalized terms can be found in Exhibit A of the CHGE Agreement. Bidders must adhere to definitions used herein.

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<sup>1</sup> Front-of-the-meter resources are those directly interconnected on distribution or transmission networks or in connection with a generation asset.

<sup>2</sup> Case 18-E-0130 - *In the Matter of Energy Storage Deployment Program* (Storage Order) issued and effective December 13, 2018 and *Order Directing Modifications to Energy Storage Solicitations* (Storage Order Modifications) issued and effective April 16, 2021.

<sup>3</sup> The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, CHGE may procure more or less than the targeted MW amount in the Storage Order.

<sup>4</sup> As defined in the Agreement (Appendix D1)

<sup>5</sup> For more information from NYSERDA:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B9824DFE0-EE5A-4EBA-9018-3B57341B4551%7D>

Participation in the utility procurements precludes a Projects eligibility for the NYSERDA Bulk Energy Storage Incentive Program (PON 4139)

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Unless stated otherwise, any references to Articles, Sections or Appendices are to Articles, Sections, or Appendices contained in these RFP Instructions.

All clock times specified throughout these RFP instructions are in Eastern Prevailing Time (EPT).

### 1.2 Schedule and Process

CHGE's expected RFP schedule is as follows:

<b>Step</b>	<b>Action</b>	<b>Date</b>
<b>1</b>	CHGE issue the draft RFP and Contract documents for developer comment	<b>August 23, 2021</b>
<b>2</b>	Comments due on draft RFP and Contract documents	<b>September 13, 2021</b>
<b>3</b>	CHGE issue final RFP and Contract documents	<b>October 4, 2021</b>
<b>4</b>	Interested bidders submit qualifications as a prerequisite to submitting a bid proposal	<b>October 26, 2021</b>
<b>5</b>	CHGE notifies bidders of their qualification status	<b>November 22, 2021</b>
<b>6</b>	Approved qualified bidders submit initial bid proposals for Round 1 review	<b>December 21, 2021</b>
<b>7</b>	Round 1 bid review complete	<b>February 25, 2022</b>
<b>8</b>	Round 1 bidders notified	<b>March 4, 2022</b>
<b>9</b>	Selected Round 1 bidders submit final detailed bid proposals for Round 2 review	<b>May 2, 2022</b>
<b>10</b>	Round 2 bid review complete	<b>July 18, 2022</b>
<b>11</b>	Round 2 bidders notified	<b>July 25, 2022</b>
<b>12</b>	Contract negotiations with successful Round 2 bidders	<b>July 2022 – December 2022</b>

#### Round 1 vs. Round 2 Offers

The intent of using a 2-round approach is to provide a more streamlined approach to the RFP process for all participants. The focus of Round 1 will be more heavily weighted toward the financial aspects of the offers (e.g. project costs vs. utility ceiling and credit worthiness of developer) with higher-level information relating to the energy storage technology, subcontractors, interconnection, site location and project schedule. Round 2 will encompass refinements to the financial aspects for projects that meet the Round 1 utility ceiling and require more detailed information of the energy storage technology, interconnection costs, developer subcontractor financial and project experience depth, site control and project schedule details.

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CHGE may, in its sole discretion, amend the RFP schedule and/or documentation at any time and for any reason. CHGE will endeavor to notify Bidders of any changes to the RFP but is not liable for any costs or inconvenience incurred by Bidders or any party due to a change or for failing to provide notice of any change. Changes to the RFP will be posted on the RFP website.<sup>6</sup>

## 2 CHGE RFP: Eligibility and Requirements

### 2.1 RFP Overview

Per the Storage Orders, CHGE seeks Offers to procure the dispatch rights to deploy a total of at least 10 MW<sup>7</sup> of qualified energy storage systems. CHGE will consider Offers exclusively for energy storage projects connected to Central Hudson's electric transmission or distribution system that are capable of individual, direct participation in New York Independent System Operator ("NYISO") Markets<sup>8</sup>. Before an energy storage system may be considered in response to this RFP, it must be capable of acting as a standalone asset, regardless of whether it is co-located with a generation asset. CHGE has no Preferred Load Areas in its service territory (Appendix E).

Projects that may not participate in this RFP include:

1. Energy storage systems that have an executed interconnection agreement prior to December 13, 2018, the date of the Storage Order
2. Any project with a Commercial Operation Date prior to ESSA execution

Qualifying Bidders that satisfy all Round 2 requirements must enter into an Agreement with CHGE for a term of up to ten years.<sup>9</sup> Throughout the Agreement term, CHGE will be assigned as the energy storage facilities' Energy Manager and will be granted the sole right and responsibility to bid and schedule the energy storage asset into the NYISO Markets. Successful Round 2 Bidders must be (or become) a NYISO Market Participant prior to the signing of a contract agreement with Central Hudson,<sup>10</sup> provide all information and support necessary to successfully complete asset registration in the NYISO Markets, and comply with all NYISO and Federal Energy Regulatory Commission ("FERC") requirements. Successful Round 2 Bidders must also provide the necessary staffing, communications, metering and telemetry required to participate in the NYISO Markets for Products as defined in the Agreement.<sup>11</sup> Developers will retain ownership of the energy storage Project and will be required to maintain the

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<sup>6</sup> RFP website: [https://www.cenhud.com/projects/2021\\_bulk\\_energy\\_storage\\_rfp](https://www.cenhud.com/projects/2021_bulk_energy_storage_rfp)

<sup>7</sup> The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, CHGE may procure more or less than the targeted MW amount in the Commission Order.

<sup>8</sup> As defined in the Agreement (Appendix D1)

<sup>9</sup> Bidders may propose terms up to and including ten years per the PSC Order.

<sup>10</sup> A successful Round 2 Bidder must be a NYISO Market Participant, retain operational control of the asset, and is responsible for receiving real time dispatch signals/instructions from NYISO Market during the Agreement term. CHGE will be responsible for asset bidding, scheduling, and NYISO settlements during the Agreement term.

<sup>11</sup> As defined in the Agreement (Appendix D1)

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system in a manner that meets or exceeds requirements specified in the Agreement. Developers must also operate the assets in accordance with the schedules set and communicated by CHGE and/or the NYISO. See Section 2.5, the Appendices to the RFP, and the Agreement for additional details.

Throughout the Agreement term, CHGE will have the sole right and responsibility to bid and schedule the energy storage asset into the NYISO Markets.<sup>12</sup> CHGE will receive all wholesale market revenues via standard NYISO billing mechanisms. CHGE will pay any NYISO-related charges. Developers are responsible for enabling and maintaining service for both Station Use<sup>13</sup> and energy storage charging, including standby and buyback charges to the extent applicable based on the Interconnection Point.<sup>14</sup> The Developer must pay all distribution and supply costs for Station Use and for Distribution Charging Energy Costs,<sup>15</sup> – which must be included in the determination of the Offer. CHGE will directly pay Supply Charging Energy Costs.<sup>16</sup>

At the end of the Agreement term, scheduling and dispatch rights will revert to the Bidder for the remainder of the asset's useful life. CHGE and the developer will notify the NYISO of the scheduling and dispatch rights transfer with enough lead time to effectuate the change at the end of the Agreement.

Bidders are expected to review the instructions in this RFP and its Appendices, as well as review the RFP specific clarifications and responses in the posted RFP Questions & Answers (Q&A), to design Offers that meet or exceed all requirements. To the extent there are any discrepancies between the RFP or Appendices and the RFP Q&A, then the RFP and Appendices supersede and govern.<sup>17</sup> Bidders will submit all required documentation of Offers as articulated in this RFP, its Appendices and the RFP Q&A. Offers will be evaluated based on the quantitative and qualitative criteria described in Section 3.

All costs attributable to the Bidder for the proposed Project, prior to the proposed Project's Commercial Operation Date ("COD")<sup>18</sup> and throughout the Agreement term, must be considered in the Offer Price. It is strongly recommended that Bidders consider the value of market participation and all potential

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<sup>12</sup> CHGE intends to provide charging and discharging schedule to the contracted energy storage project operator(s) by 3 pm EPT on the Calendar Day prior to the Operating Day via email. Within the day, any changes to the asset schedule in the real time NYISO Market will be communicated through dispatch signals originating from the NYISO. Assets are expected to have Automatic Generation Control (AGC) capability and the appropriate communications telemetry to enable it to follow NYISO base points and qualify for NYISO products. Lead time for dispatch signals will be based on NYISO schedule for spinning reserve and Real Time energy. Assets are expected to install telemetry, revenue quality metering, and communications that meets the NYISO requirements to enable Real Time market dispatch.

<sup>13</sup> As defined in the Agreement (Appendix D1)

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> Please note there may be instances of additional changes and/or clarifications made in the RFP and Appendices that are not fully aligned with or differ from the responses provided in the posted Q&A. The Q&A will be updated to account for these.

<sup>18</sup> As defined in the Agreement (Appendix D1)

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revenue sources for the energy storage Project in the post-Agreement period when determining an Offer Price.

The successful Bidder with a fully executed Agreement will receive payments from CHGE and NYSERDA reflecting the Offer Price.<sup>19</sup>

Payment terms, structure, milestones are described in detail in the CHGE Agreement (Appendix D1) and NYSERDA Incentive Agreement (Appendix F).

### 2.2 Bidder Qualification

All Bidders must meet the qualification requirements to be eligible to submit formal Round 1 Offers. The intent of Bidder requirements is to ensure time is allocated to reviewing well-developed Offers that have the best opportunity to meet the In-Service Deadline of December 31, 2025.

Bidders must submit all required qualification materials by the specified due date, October 26, 2021. CHGE will review materials for completeness and inform Bidders of their eligibility to submit a Round 1 Offer. See Appendix A and Appendix C7 for more detail. One qualification submission will suffice for CHGE's consideration.

To be approved to submit a Round 1 Offer, Bidders must, at minimum:

1. Demonstrate experience deploying the proposed commercialized energy storage technology at scale with Dispatchable Capacity of at least 2 MW in a single project in an expeditious manner.
2. Provide at least three years of Audited Financial Statements.<sup>20</sup> For purposes of confidentiality, bidder has the option to provide a completed Confidentiality and Non-Disclosure Agreement that can be found in Appendix D2.
3. Provide a written certification that all RFP requirements have been reviewed, are understood, and will be complied with for all Offers to be provided. Failure to meet all RFP requirements may result in automatic Offer rejection. Electronic certification can be achieved using the "Bidder Information" tab in Appendix B if desired.
4. Complete the Qualification Questionnaire (Appendix A)
5. Complete the Bidding Team Info (Appendix C7).

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<sup>19</sup> The Offer Price will be provided via two separate payments from CHGE and NYSERDA. The two payments will equal the Offer price. The split between the two will be provided during the contracting phase.

<sup>20</sup> As defined in the Agreement (Appendix D1)



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The Company will evaluate Bidder's submitted Qualification Questionnaires and Bidding Team Info for completeness and adherence to minimum requirements to determine if Bidders will be approved to submit Offers.

### 2.3 Minimum Size Requirements

Proposed Projects must be greater than 5.0 MW of Dispatchable Capacity at each location (i.e., not the result of aggregated smaller projects at different sites/locations), interconnected electrically within CHGE's service territory and separately metered from any other load or generation at the site. Systems of exactly 5.0 MW or less, existing energy storage systems, and/or new energy storage systems eligible for Value Stack compensation are ineligible to participate.

### 2.4 Site Control

Bidders who demonstrate site ownership or site control for all the proposed Projects to be electrically connected within CHGE's service territory will receive priority in the bid evaluation process. Site control must be demonstrated and detailed as described in Appendix C1.

### 2.5 Technical Requirements

#### 2.5.1 System and Operational Requirements

Bidder may assume the following usage profile for purposes of system specification, which reflect the most likely range of system usage by CHGE over the Agreement period:<sup>21</sup>

- Energy storage system must be able to maintain electric energy generation output at rated Dispatchable Capacity for at least two continuous hours. Energy storage systems with longer continuous hours of electric energy generation output capability at rated Dispatchable Capacity would be preferred.
- Maximum Throughput in MWH per year is computed as the product of 800, times MW of Dispatchable Capacity, times the number of continuous hours of electric energy generation output capability at rated Dispatchable Capacity.<sup>22</sup> For example, for a 10 MW, 4-hour energy storage system, the Maximum Throughput in MWH per year is 32,000 MWH per year (800 \* 10 MW \* 4 hr).
- Capability to operate up to six cycles per Calendar Day.<sup>23, 24</sup>

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<sup>21</sup> Operational parameters shown here are offered to Bidders for purposes of technical system design-only. These parameters are separate and distinct from commercial performance requirements described in the Agreement.

<sup>22</sup> 800 represents 400 injection of electric energy into the energy storage system (charging) plus 400 withdrawal of electric energy from the energy storage system (discharging).

<sup>23</sup> Expected actual daily usage could be as low as zero cycles or as high as six cycles per Calendar Day.

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- Average state of charge of 25-80%.<sup>25</sup>
- Expected to be at 100% usable state of charge at least 357 Calendar Days of each year.
- Must demonstrate a minimum Round-Trip Efficiency of 70% or higher.

All proposed Projects must meet the following requirements over the Agreement period. The methodologies and definitions for each requirement are detailed in the Agreement (Appendix D1):

- Must maintain at least a 98% of the hours available for dispatch in each calendar quarter.
- Must provide a Maximum Throughput in MWH per year at least equal to the Offer's Guaranteed Maximum Throughput in MWH per year over the Agreement period.<sup>26</sup>
- Must maintain a Round-Trip Efficiency at least equal to the Offer's Guaranteed minimum Round-Trip Efficiency over the Agreement period.
- Must maintain the number of continuous hours of electric energy generation output capability at rated Dispatchable Capacity at least equal to the Offer's Guaranteed minimum number of continuous hours of electric energy generation output capability at rated Dispatchable Capacity over the Agreement period.
- Must maintain a Dispatchable Capacity rating at least equal to the Offer's Guaranteed Dispatchable Capacity over the Agreement period.
- Must have a minimum Response Rate (or Ramp Rate) of at least 10% of the energy storage system's maximum Dispatchable Capacity per minute over the Agreement period.

### 2.5.2 Interconnection Requirements

Bidders must have completed and submitted an interconnection application at the time of Offer submittal, preferably Round 1. In addition, all proposed Projects must complete appropriate and applicable Interconnection Study(s)<sup>27</sup>, receive NYISO Energy Resource Interconnection Service ("ERIS") rights, and receive NYISO Capacity Resource Interconnection Service ("CRIS") rights. Bidders must

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<sup>24</sup> A cycle is a sequence of injecting electric energy into the energy storage system (charging) then withdrawing electric energy from the energy storage system (discharging), where one cycle is the charge and discharge combination of any volume of the energy storage system.

<sup>25</sup> Average state of charge is defined as ratio of average stored energy capacity available throughout Agreement period divided by total useable energy storage capacity at 100% state of charge.

<sup>26</sup> See the Agreement Appendix D1 and Section 6 for definitions.

<sup>27</sup> NYISO and local utility distribution studies as required per interconnection location and associated requirements.

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remain active in the applicable interconnection queue for proposed Projects until that Project has been interconnected.

Offers must have a single exclusive NYISO Interconnection Point, the ability to send/receive the electronic signals of CHGE and meet NYISO communications requirements to enable participation in NYISO Markets.

Energy storage projects that have an executed interconnection agreement prior to December 13, 2018, the date of the Storage Order, are ineligible to participate in this solicitation.

Bidders will be responsible for all activities and costs associated with NYISO and/or CHGE communications requirements to enable participation in NYISO Markets. Bidders should submit their known and/or best estimates of interconnection costs as part of their Offer in Rounds 1 and 2.

Please refer to Appendix C2 and the Agreement (Appendix D1) for additional information.

### 2.6 Credit Requirements

Bidders must provide an irrevocable Letter of Credit (Appendix D1 Exhibit N) to CHGE prior to the time of Agreement execution. The irrevocable Letter of Credit ("LOC") will be maintained by the Bidder from Agreement execution throughout the term of the Agreement with CHGE and proof of such active LOC must be provided at least once in each 24-month period of the Agreement term.

Security requirements are fully described and detailed in Appendix C5 and the ESSA (Appendix D1). To the extent there are any discrepancies between the RFP documents and Appendix D1, then Appendix D1 (the ESSA) supersedes and governs.

### 2.7 Safety Requirements

CHGE requires that the Bidders recognize safety is of paramount importance. In connection with this solicitation and executed Agreement, Bidders will be required to provide safety information related to the technology for the Project in Appendix C3 and information regarding safety history, including for the entities that will construct, operate, and maintain the Project(s). Energy storage Projects must meet all Department of Buildings, Fire Department, and any other government agency design and safety requirements as required and applicable. See Appendix C4 for additional details.

### 3 Offer Evaluation Criteria

CHGE will consider quantitative and qualitative criteria to evaluate Offers.

See below for a detailed summary of quantitative and qualitative criteria, and the process by which the Review Team will evaluate and prioritize Offers.

#### 3.1 Quantitative Factors

For both Rounds 1 and 2, Bidders must completely fill out and provide the information requested in the Offer Form (Appendix B) spreadsheet file. Please clearly mark (using one consistent indicator) any/all Round 2 information that changed from Round 1. Bidders should provide only their best Offer Price without consideration to the source of the funding during each round of bid submission. Bidder's Round 2 Offer Price must not exceed 15% of Bidder's Round 1 Offer Price.

Projects will be ranked based on their Quantitative Scores. The number of Projects and MW level to which CHGE will procure is a function of the Offer price, and scoring of Offers based on evaluation criteria, and the availability of the NYSERDA Incentive.

CHGE will use the following formula based on the present worth value of a prospective energy storage project's forecast of value, benefits, and pricing to evaluate Bidder Offers:

$$\text{Quantitative Score} = (\text{Net Market Value}) + (\text{Distribution Benefit}) - (\text{Offer Price})$$

**Net Market Value** =

$$(\text{Energy Value} + \text{Ancillary Services Value} + \text{Capacity Value}) - (\text{Charging Cost} + \text{NYISO Fees})$$

Where:

**Energy Value** = Projected revenues from NYISO energy markets over the delivery term;

**Ancillary Services Value** = Projected revenues from participation in Operating Reserves market.

**Capacity Value** = Projected revenues from NYISO capacity markets over the delivery term.

**Charging Cost** = Expected costs of electric energy charging at projected Locational Based Marginal Pricing (LBMP)<sup>28</sup> prices.

**NYISO Fees** = Includes participation fees, and related charges made by the NYISO to the asset scheduler/bidder.

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<sup>28</sup> As defined in the Agreement (Appendix D1).

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**Distribution Benefit** considers quantifiable benefits associated with an energy storage system's location in the CHGE electric distribution system. Where applicable, a distribution value will be assigned to Offers based on proposed Interconnection Point in CHGE's service territories.

**Offer Price** submitted by Bidders based on Project-specific hurdle rate and financing requirements.

### 3.2 Qualitative Factors

CHGE will use the following qualitative criteria:

1. **Project Viability** – Evaluates the likelihood that the Project can be successfully developed and can meet use case requirements for the Agreement period. Increasing levels of information will be required at the Round 1 and Round 2 stages as outlined in the applicable Appendices. Evaluation will consider the Project's viability, risks, and likelihood of meeting Commission requirements for operational Projects by December 31, 2025. Preference will be given to Projects that can demonstrate ability to meet the RFP's Guaranteed Commercial Operation Deadline of December 31, 2025.
2. **Credit Quality** – Evaluates the Bidder's ability to perform all financial and financing obligations under the Agreement. Increasing levels of information will be required at the Qualification, Round 1 and Round 2 stages as outlined in the applicable Appendices. Evaluations will include the response to Financial & Credit Information Appendix C5, adherence to Forms of Letter of Credit and/or cash collateral terms as specified in Appendix D1 Exhibit N. Preference will be given to Offers that meet all security requirements and adhere most closely to the terms described in the provided Letter of Credit.
3. **Adherence to Terms** – Measures Bidder adherence to the Agreement and Terms provided in the Energy Storage Service Agreement (ESSA) - Appendix D1 and the NYSERDA Agreement. Redlines to either Agreement can be provided by Bidders as part of their Round 2 refined Offer package and reviewed by CHGE and NYSERDA during the evaluation period. Preference will be given to Offers that most closely adhere to the Agreement to ensure timely execution of the Agreement and the Commercial Operation of the Project prior to the Guaranteed Commercial Operation Deadline.
4. **System Design** – Evaluates system specifications, warranties, expected operational parameters and associated restrictions/ limitations on use of the proposed Project. Increasing levels of information will be required at the Round 1 and Round 2 stages as outlined in the applicable Appendices. Evaluation will consider technical responses provided in Appendix C3 coupled with additional technical materials provided (e.g., warranties). Preference will be given to proposed systems that demonstrate capabilities to meet CHGE's use case(s) while minimizing restrictions on use of the system.

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5. **Bidding Team Experience** – Evaluates the extent of the Bidder’s and Bidder Team’s energy storage and New York experience (e.g., previous development and/or operating experience) as described in Appendix C7. CHGE reserves the right to request and contact references as part of the solicitation process. Increasing levels of information will be required at the Round 1 and Round 2 stages as outlined in the applicable Appendices. The experience of the entire team will be evaluated, but preference and additional weight will be given to direct Bidder and developer experience relative to others.
6. **Safety** – Evaluates potential safety, risks, and mitigation plans associated with Bidder implementation plans.
7. **Bidder Concentration** – CHGE will consider the amount of MW per Bidder to ensure a diversity of Projects.

## 4 Offer Submittal Process

### 4.1 Offer Submission Instructions

A Bidder may submit an Offer in Round 1 only if Central Hudson has acknowledged that the Bidder meets all Bidder Qualifications. All Offers must be submitted via email to [CHGE-storage-RFP@cenhud.com](mailto:CHGE-storage-RFP@cenhud.com) on or prior to the due date and time. Each Offer must be submitted via a separate email. The emailed Offer must be sized less than 10 MB total to allow for digital intake. The Offer Form must be submitted without modifications to the Excel file structure or format. All other submissions must be in a single PDF format mirroring the organization of the RFP documents described in the Section 4.3 table. Bidders who fail to submit by the due date and time must be excluded from the Offer evaluation process. Therefore, Bidders are encouraged to make submissions well in advance of the closing time to avoid any potential issues that may occur. CHGE is not responsible for technical email or other issues that may delay receipt of Offers. Any questions on, or technical issues with, submitting an Offer before the deadline should be promptly directed to [CHGE-storage-RFP@cenhud.com](mailto:CHGE-storage-RFP@cenhud.com).

### 4.2 Qualification Submission Format

Prospective Bidders must complete the Qualification Questionnaire (Appendix A) and the Bidding Team Info (Appendix C7) **in their entirety** for CHGE to determine a Bidder's eligibility to submit an Offer. Incomplete submittals will result in a disqualification of the Bidder. If Prospective Bidders want their Qualification Questionnaire and other subsequent document submittals to be treated under a Confidentiality and Non-Disclosure Agreement ("NDA") (Appendix D2), Prospective Bidders must also submit a completed NDA (Appendix D2).

**Submission deadline for the Qualification Questionnaire is no later than 5:00 P.M. EPT on Tuesday, October 26, 2021.** Qualification Questionnaires must be submitted via email to [CHGE-storage-RFP@cenhud.com](mailto:CHGE-storage-RFP@cenhud.com) prior to the due date and time. The emailed submission must be sized less than 10 MB total to allow for digital intake.

Please refer to RFP Appendix A, Appendix C7, and Appendix D2 for additional details.

### 4.3 Offer Submission Format

Qualified Bidders are eligible to submit one or more Round 1 Offers for this RFP. Each individual Round 1 Offer must be provided in a single PDF document and submitted via email. Multiple Round 1 Offers must be submitted in multiple PDFs with one Offer per PDF per submission email. Only complete Round 1 Offers will be accepted and evaluated. Round 1 **Offers from Qualified Bidders are due no later than 5:00 P.M. EPT on Tuesday, December 21, 2021.** Round 2 Offers will be accepted only from successful Round 1 Bidders and Round 2 Offers are due no later than 5:00 P.M. EPT on Monday, May 2, 2022

**It is the Bidder's responsibility to thoroughly review all provisions of the supporting documents and all requirements of this RFP process and to understand all anticipated costs that should be factored into**

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**the Round 1 (and Round 2) Offer price. Bidders are encouraged to mark sections of their bids confidential as needed so they are treated as such by the review team.**

Round 1 and Round 2 Offers shall be organized as follows:

<b>Offer Section</b>	<b>Offer Section Title</b>	<b>Reference</b>
N/A	Cover Letter	
N/A	Bidder Checklist Form	• Completed Appendix C6
Offer Body	<ul style="list-style-type: none"> <li>• Proposed Energy Storage System Solution Description</li> <li>• Project Schedule</li> <li>• Potential Risks and Challenges</li> <li>• Professional Background and Experience with the Proposed Solution</li> </ul>	
Offer Appendices	• Offer Form	• Completed RFP Appendix B • (One per Offer, Variant of Offer)
	• Site Control	• Completed RFP Appendix C1
	• Electric Interconnection	• Completed RFP Appendix C2
	• Technical Information	• Completed RFP Appendix C3
	• Permitting & Schedule	• Completed RFP Appendix C4
	• Financial & Credit Information	• Completed RFP Appendix C5
	• Bidding Team Information	• Completed RFP Appendix C7
	• CHGE Energy Storage Services Agreement	• Redlines to RFP Appendix D1
	• Proposed Changes to CHGE Energy Storage Services Agreement form	• Completed RFP Appendix D3
• Contractor Listing Information	• Completed RFP Appendix G	

**Cover Letter**

The cover letter must include the following:

- Bidder legal name and address
- The name, title, email address, and telephone number of the individual authorized to negotiate and execute the Agreement
- The signature of a person authorized to contractually bind Bidder’s organization



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### **Bidder Checklist & Attestation**

Bidder should provide to CHGE the properly completed Bidder Checklist (Appendix C6) as part of an Offer. A separate Bidder Checklist is needed for each Offer submitted.

- A signed attestation that the Bidder has read and understands all provisions of the RFP (Appendix B, 'Bidder Information' tab and Appendix C6)

### **Offer Body**

This section should contain a response to the RFP requirements as described in Appendices to this RFP. Please limit each Offer to 10 pages maximum not including the Cover Letter, Checklist/Attestation, and Appendices. The following information addresses major areas that must be included in Bidder's Offer; the specific Round 1 and Round 2 offer details are broken out in each Appendix:

- Proposed energy storage system
  - Energy storage system design characteristics (e.g., equipment, configuration)
  - Energy storage system performance characteristics (e.g. Round-Trip Efficiency, Guaranteed Availability, Guaranteed Capacity, Maximum and Minimum State of Charge, Capacity and System Efficiency Degradation Rate)<sup>29</sup>
  - Description of warranties and approach to maintaining Availability and Performance Guarantees<sup>30</sup>
- Project schedule
- Potential risks and challenges with detailed plans to address/mitigate
- Professional background and experience with the proposed project

### **Offer Appendices**

Bidders must complete all required documentation for Offers as described in the Appendices to this RFP. See Appendices for requirements. This document only provides a very high-level description of what is described in detail in the various Appendices.

### **Redlines to Agreement**

Bidders shall complete a full review of the ESSA (Agreement - Appendix D1) or NYSERDA Agreement for both commercial and legal terms. Any exceptions shall be marked in a redlined copy and attached to the Round 2 Offer.

CHGE will assume all material issues have been identified and will set the Agreement execution term accordingly. Acceptance of an Offer is not considered acceptance of ESSA redlines by CHGE or NYSERDA

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<sup>29</sup> As defined in the Agreement (Appendix D1) and Section 6

<sup>30</sup> Ibid

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Agreement redlines by NYSERDA. However, Bidders should be prepared to sign the posted version of the ESSA (Agreement - Appendix D1) or the redline version if selected. The NYSERDA Agreement must be signed/executed prior to signing/executing the CHGE ESSA.

### Additional Materials

Bidders can provide information not specifically requested in the body of the Qualification submission as an appendix or a separate attachment. Such items can include:

- Project experience examples (No more than one-page per Project)
- Organizational charts and resumes
- Other relevant information

### 4.4 Offer Fee

Approved Bidders must provide an "Offer Fee" in the amount of **U.S. \$10,000** for each Round 1 Offer and an additional **U.S. \$5,000** for each Round 2 Offer at the time of submission.

#### 1. Purpose of Offer Fee

The Offer Fee is intended to contribute to CHGE's administrative costs to assemble, review, prioritize, and award Offers to Bidders. Offer Fees are also intended to reflect the Bidder's commitment to prepare thorough, competitive Offers.

#### 2. Form of Offer Fee

The form of the Offer Fee will be made by cash, cashier's check or wire transfer. Wire transfer information can be provided upon request near time of payment.

**NOTE:** If a Bidder fails to submit the Offer Fee within the required time frame listed below, the Bidder's Offer will be rejected.

#### 3. Submission of Offer Fee

Cash may be deposited through a wire transfer as instructed by CHGE. Bidders have until 5 PM EPT on Tuesday December 21, 2021 for Round 1 and 5 PM EPT on Monday May 2, 2022 for Round 2 to remit their fee. Wiring instructions will be provided to pre-qualified Bidders upon notice that they are approved to submit offers to this RFP.

#### 4. Refund of Offer Fee

In the event the RFP is canceled prior to review of any Round 1 Offers, the Round 1 Offer Fee will be refunded. After the evaluation process has begun, no refunds will be considered or made in respect of any Round 1 or Round 2 Offer, regardless of Round 1 or Round 2 Offer success.

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### 4.5 Number of Offers and Variations Allowed Per Bidder

Bidder's Offers are defined by Project Interconnection Point ("IP") (i.e. 1 IP = 1 Offer, 2 IPs = 2 Offers, etc.). There is no restriction on the number of Offers Bidders may submit. More than one Offer can be located at the same location, but each would require separate Interconnection Points and revenue grade metering. In other words, multiple Projects at a single location will be considered separate Projects if they have separate Interconnection Points. In this situation, each Project would require a separate Offer submission.

A separate and complete submission is required for each Offer round. Each Round 1 or Round 2 Offer must be complete as a standalone submission and not reference information contained in other Round 1 or Round 2 Offers. A Round 1 and Round 2 Offer Fee is required for each Round 1 and Round 2 Offer submitted.

Bidders are permitted to submit variants of only Round 1 Offers using the same Interconnection Point by varying the Dispatchable Capacity of the proposed energy storage Project at each location within the allowable amount based on interconnection application rules. Each Round 1 Offer may include up to two Round 1 Offer Variations (i.e., the original Base Round 1 Offer and two (2) additional variations of that Round 1 Offer). Only one Round 1 Offer Fee is required for a Base Offer plus Round 1 Offer Variations using the same Interconnection Point. No variations will be allowed for Round 2 Offers.

**Note: Round 1 Offer Variations may only alter a system's Dispatchable Capacity and associated price and cost information. Variants in commercial operation date, number of years for the dispatch rights contract, technology, capabilities, location, Interconnection Point or other will not be accepted nor considered as a single Round 1 Offer.**

An entirely new Round 1 Offer package is not required for each variation. A written explanation indicating which sections are duplicative over multiple Round 1 Offer Variations is required. Variations of a Base Round 1 Offer must be clearly marked, described as such, and submitted with the Base Round 1 Offer in a single PDF. A separate Round 1 Offer Form (Appendix B) is required for each Round 1 Offer Variation. No variations will be allowed for Round 2 Offers.

## 5 Collusion and Other Prohibited Activities

### 5.1 Collusion

Collusion with other Bidders prior to, during, or after the RFP is strictly prohibited. Collusion and other prohibited activities include, but are not limited to: sharing an Offer with other Bidders, discussing Round 1 or Round 2 Offer strategies with other Bidders, engaging in any activity with the intent of influencing the outcome of the RFP in a manner inconsistent with competitive behavior, or taking any action to otherwise undermine the competitive nature of the RFP or benefit from CHGE compensation without the intent or expectation of providing services described in this RFP. CHGE has the sole discretion to determine when collusion or other prohibited activities have occurred and to take any appropriate action, including disqualifying Round 1 or Round 2 Offers, barring participation in future RFPs or programs, and reporting the activity to the New York State Department of Public Service (the “NYSDPS”), the Commission, NYSERDA and any other appropriate Governmental Authorities.

### 5.2 Confidentiality

In connection with this RFP, CHGE will keep confidential, and not disclose to any person (except as set forth below), any information pertaining to Bidder or its Round 1 or Round 2 Offer(s) provided by or on behalf of Bidder that is non-public, proprietary or confidential in nature and is clearly marked or otherwise identified as such. The foregoing does not preclude CHGE from publicly identifying the Bidder(s) with whom CHGE will sign an Agreement as a result of this RFP, or from disclosing Bidder’s confidential information (a) to CHGE’s trustees, employees, consultants, contractors and agents for the purpose of evaluating Bidder’s Round 1 or Round 2 Offer(s), (b) to NYSERDA for purposes of administering the NYSERDA Incentive, or (c) pursuant to a legal or regulatory requirement (including, without limitation, of the Commission and/or NYDPS) provided that CHGE will make reasonable efforts to prevent the information’s further disclosure. Confidential information does not include information that (i) is in or enters the public domain other than as a result of CHGE’s unauthorized disclosure, (ii) Bidder expressly authorizes CHGE to disclose, (iii) is already known or becomes known to CHGE on a non-confidential basis other than as a result of a breach of any confidentiality obligation known to CHGE, or (iv) is independently developed by CHGE without reference to the confidential information. This obligation of confidentiality will expire upon execution of a definitive ESSA (Agreement) between the parties with respect to the subject of this RFP, in which event the terms of this paragraph will be superseded by the confidentiality provisions of such definitive ESSA (Agreement).

### 5.3 Execution of Agreement

By submitting a Round 2 Offer, Bidder agrees, if its Round 2 Offer is selected by CHGE, that it is prepared to execute a definitive ESSA (Agreement) and the NYSERDA Agreement consistent with the Bidder’s Round 2 Offer. Acceptance by CHGE of Bidder’s Round 2 Offer will not constitute an Agreement by CHGE to any Bidder modifications made to the form of Agreement submitted.

#### **5.4 Termination Rights**

CHGE reserves the right at any time, in its sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Bidders and without liability of any kind to, or responsibility of, CHGE or anyone acting on CHGE's behalf. Without limitation, grounds for termination of the RFP may include the assertion of any Waived Claims by a Bidder or a determination by CHGE that, following evaluation of the Round 1 or Round 2 Offers, there are no Offers that provide adequate ratepayer benefit.

CHGE reserves the right to change the Round 1 or Round 2 Offer evaluation criteria for any reason and at any time, to terminate further participation in this process by any Bidder, to evaluate the qualifications of any Bidder, to accept any Round 1 or Round 2 Offer or to enter into any definitive Agreement, and to reject any or all Round 1 or Round 2 Offers, all without notice and without assigning any reasons without liability to CHGE or anyone acting on CHGE's behalf. CHGE shall have no obligation to consider and/or award any Round 2 Offer.

In the event of termination of the RFP for any reason, CHGE will not reimburse the Bidder for any expenses incurred in connection with the RFP regardless of whether such Bidder's Round 1 or Round 2 Offer is selected, not selected, rejected, or disqualified.

## **6 Definitions**

Key terms in this RFP are defined by CHGE in the ESSA (Agreement - Appendix D1) Exhibit A.